GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1344
ANSWERED ON:26.02.2003
SMALL SCALE INDUSTRIES DEVELOPMENT FUND
V. SAROJA

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether Confederation of Indian Industry have recommended for setting up a Small Scale Industries Development Fund;

(b) if so, the details thereof;

(c) whether the Government are aware of the problems faced by small scale industries despite the package announced two years back; and

(d) if not, the action taken or proposed to be taken to protect them?

Answer

MINISTER OF SMALL SCALE INDUSTRIES AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (D THAKUR)

(a) & (b): The Confederation of Indian Industry has suggested forsetting up a Small Industries Development Fund with an initialcorpus of Rs. 5000 crore for Technology Upgradation, building marketing and infrastructure facilities and extending assistance for rehabilitation of sick units.

(c) & (d): The Small Scale Industries (SSIs) face the problems ofinadequate availability and high cost of credit, inadequate infrastructure, marketing bottlenecks, obsolete technology and enhanced competition due to globalisation, W.T.O. & removal of Quantitative Restrictions etc. While development of Small ScaleIndustries is primarily the responsibility of the State/UTGovernments, the Central Government has taken various steps toimprove their performance. Apart from the Comprehensive PolicyPackage announced by the Prime Minister in August, 2000 to enhancethe competitiveness of the SSI sector both domestically andglobally, other measures for promotion and development of SSI sector include special focus on areas such as technologyupgradation, enhancing SSI investment ceiling for certain hi-techexport oriented industries, infrastructure development through cluster approach, timely availability of credit, adoption of modern management practices, use of electronic infrastructure and other IT applications.